

BUSINESS STATUS SELECTION BY ENTERTAINER

In light of your desire to perform as an entertainer at this Club, we would like you to select the business arrangement under which you are interested in performing. *If* the Club decides that it would like to extend to you the opportunity to perform here, you can do so either as: 1) an INDEPENDENT PROFESSIONAL ENTERTAINER; or 2) an EMPLOYEE.

We have listed below some of the general distinctions between performing here as an Independent Professional Entertainer or as an Employee. This document is not intended to provide legal or tax advice, and is merely a summary of general information. Please feel free to consult with any persons of your choice, including legal and accounting professionals, on these matters prior to making your selection. In addition, if you would like to see a copy of the contract that the Club uses for Independent Professional Entertainers (called a "Dancer Performance Lease") prior to making your decision, please just ask and we will be happy to provide you with a copy to review.

After reviewing this information, we would like you to select the circumstances under which you would be willing to perform. The Club management expresses no opinion on this matter. This is your choice to make.

Making this selection does not constitute an offer of employment or an offer by the Club to enter into an Independent Professional Entertainer agreement with you. After review of your application documents and qualifications, you will be notified as to whether the Club is interested in permitting you to perform at this location. If it is, you will be offered the opportunity to enter into the business arrangement that you select at the end of this document.

**INDEPENDENT PROFESSIONAL
ENTERTAINER STATUS**

VS.

EMPLOYEE STATUS

1. As an Independent Professional Entertainer, you will enter into a written contract with the Club which will be for a certain period of time; which will specify in writing the rights, duties and obligations of both you and the Club; and which cannot be changed except upon the mutual agreement of both you and Club Management. The Club will not be able to terminate your contract during the specified period except upon the limited reasons identified in the contract.

2. As an Independent Professional Entertainer, all of your earnings will come directly from your customers. **YOU WILL NOT RECEIVE ANY PAY FROM THE CLUB, EITHER BY WAY OF AN HOURLY WAGE OR A SALARY.** You will charge your customers for your dance performances; the money that you receive from them, either by way of dance fees or tips (which are discussed in number 3 immediately below), will be your money that you will be able to take home at the end of the day. In addition, you will pay certain fees to the Club for having the right to perform here, as well as specified administrative charges. You can review a copy of the contract that the Club uses in order to see the current amount of those fees.

3. As an Independent Professional Entertainer, all tips that you earn (gratuities paid by a customer *over and above* the established dance fees, as well as stage tips) are yours to keep. You will not be required to share your tips, or "tip out," to anyone.

1. As an Employee, you will not have any contract with the Club. Rather, your employment will be "at will," meaning that your employment can be terminated by the Club at any time, without cause and without prior notice. The Club will have the right to change the terms of your employment at its discretion at any time.

2. As an Employee, you will be paid every other Friday on an hourly basis at a rate equal to the current applicable tip-credited minimum wage. Under such an employment relationship, you would be paid, in accordance with § 203(m) of the Fair Labor Standards Act and applicable state law, the legally permitted "tip-credited" wage (currently \$3.10 per hour). The Club would then increase your wages by taking the allowable tip-credit (currently \$5.05 per hour), which cannot exceed the amount of tips actually received by you. If, in a workweek, you did not earn at least the full minimum wage through wages and retained tips (currently \$8.15 per hour), the Club would pay you the difference so that you would earn the full minimum wage for each hour worked. These "tip credit" provisions would not apply unless you were informed of them.

3. As an Employee, you would be entitled to retain all tips that you collect (gratuities paid by a customer *over and above* the posted dance fees as well as stage tips, but *not* the mandatory dance fees you charge for personal performances - see number 4 below), although you will be required to pay 25% of your tips into a "tip pool" that would be distributed to non-dancer tipped employees.

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Initials 

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4. As an Independent Professional Entertainer, the dance fees you charge your customers belong to you, and are yours to keep, subject only to certain lease and administrative fees.

5. As an Independent Professional Entertainer, you will be responsible for taking care of and paying all taxes and other withholdings due on your income.

6. As an Independent Professional Entertainer, you keep track of your own income. You do not report your dance fees or tip income to the Club. You can take tax deductions for travel, advertising, makeup, costumes, props, tanning, health clubs, cosmetic surgery, etc., as allowed by law.

7. As an Independent Professional Entertainer, you may perform wherever you choose, and may perform at other clubs while you are under contract with this Club.

8. As an Independent Professional Entertainer, you will determine the days and time you perform at the Club consistent with the entertainment sessions for which you have contracted. In addition, you can work as many hours per day as you desire, although you will receive no "overtime" pay from the Club.

9. As an Independent Professional Entertainer, whether you take any breaks, when you take your breaks, and the number and duration of any breaks, are totally up to you.

10. As an Independent Professional Entertainer, you can perform for whomever you choose, and can reject any customers you want.

11. As an Independent Professional Entertainer, you will never be required by the Club to give "free" dances to anyone.

12. As an Independent Professional Entertainer, you will never be required to engage in any Club promotions or advertising.

13. As an Independent Professional Entertainer, you will have the freedom to choose your own costumes, and you will be required to provide your own costumes. However, you will be expected to appear in costuming consistent with industry standards for professional entertainers performing in upscale, high-end, entertainment facilities.

14. As an Independent Professional Entertainer, you will determine your own appearance.

4. As an Employee, the dance fees you charge customers belong to the Club. You will have to turn them over to Management before the end of your shift.

5. As an Employee, the Club will take out of your pay all taxes and other withholdings required by law.

6. As an Employee, you must, by law, report ALL of your tip income to the Club. You cannot deduct from your taxes the incidental expenses of your employment. In addition, the Club is required by law to pay to the IRS, out of the wages due to you, taxes owed on your tip income. If you make a substantial amount in tips, this could then result in your receiving a "zero" paycheck. If you have questions about this, consult an accountant.

7. As an Employee, the Club can prohibit you from performing at other establishments.

8. As an Employee, the Club will select your schedule (both days and times) for you. In general, you will be limited to working a maximum of 29 hours per week, and the Club will not permit you to work any "overtime." However, at the discretion of Management you may be required to work overtime, and you will be paid time and one-half for any excess hours that you work as required by law.

9. As an Employee, the Club will determine the time, number and duration of your breaks, consistent with state law.

10. As an Employee you will be required to perform for all customers.

11. As an Employee, you may, at the direction of Management, be required to give "free" dances to certain customers.

12. As an Employee, you may be required to participate in various Club promotions and advertising.

13. As an Employee, you will be required to wear the costumes selected by the Club, which will provide to you two costumes every three months at the Club's cost.

14. As an Employee, your appearance must comply with the Club standards. Management will tell you how to wear your hair, and how your makeup should look.

15. As an Independent Professional Entertainer, you will not be given any training. You will be expected to come to the Club with the necessary skills to perform as a professional exotic dance entertainer. You may perform in any lawful manner of your own choosing and you will not have to meet any type of "performance standards" set by the Club.

16. As an Independent Professional Entertainer, if you are injured at the Club, you will not be covered by Workers' Compensation Insurance, but you can sue the Club, if it is at fault, and your only limits of recovery are those that may be imposed by state law.

17. As an Independent Professional Entertainer, you will not be entitled to unemployment compensation benefits either if your contract expires or if the Club terminates it early for any of the reasons listed in the agreement.

18. As an Independent Professional Entertainer, the Club will not offer you any form of health insurance.

19. As an Independent Professional Entertainer, you will be acknowledging that you are not entitled to benefits under the Fair Labor Standards Act (minimum wage and overtime laws), Equal Employment Opportunity laws, or other laws that protect employees.

15. As an Employee, you will be required to undergo dancer training, you must perform consistent with the standards set in that training, and you will be expected to meet certain dance minimum quotas.

16. As an Employee, if you are hurt at work your sole recourse against the Club, under most circumstances, will be for "Worker's Compensation" benefits. You will not have to prove the Club was at fault, but you will be subject to the limits of that coverage.

17. As an Employee, if you are fired you may be entitled – if you have worked a sufficient period of time and satisfied other legal requirements – to unemployment compensation benefits. These benefits are for a fixed period of time and are set by law.

18. As an Employee, if the Club is at any time required to offer certain of its employees health insurance and you qualify, you may, but need not, accept such health insurance so long as you agree to pay the policy premiums up to a maximum of 9.5% of your total income (wages *and* tips).

19. As an Employee, you will be entitled to certain legal protections under the Fair Labor Standards Act, the Equal Employment Opportunity Act, and other laws that protect employees. You can find out about your rights as an employee by going to, among other places, the websites at www.dol.gov/esa/whd/flsa, and at www.michigan.gov/lara (click on "Employment, Security & Workplace Safety").


AFTER HAVING REVIEWED THE ABOVE AND HAVING CONSIDERED THESE MATTERS:

☒ I would like to apply to be an Independent Professional Entertainer

☐ I would like to apply for a position as an Employee entertainer

DATED: 2-19-15


Entertainer's signature


Entertainer's name (please print)